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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
25 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report #41 - As of 4:00 P.M. EDT)

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1. The army is moving aggressively against Foreign Minister Subandrio, who has been attempting to quell anti-Communist action and shift the onus for the coup attempt away from the Communists.

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[REDACTED]
[REDACTED] President Sukarno reportedly is now convinced that Subandrio, said to be under virtual detention, must be removed from office.

2. The actual removal of Subandrio would represent a major victory for the army. Although Sukarno may be unable to resist army pressure in the case of Subandrio, he is reportedly arranging to send three of the army's most politically active generals out of the country with the "exiled" General Sukendro.

3. General Nasution, in a speech over Radio Djakarta yesterday, for the first time publically listed action which the army has pressed Sukarno to take. The most outstanding of these were the proscription of the Communist Party (PKI) and the "regulation" of Foreign Minister Subandrio's Central Intelligence Bureau. The US Embassy in Djakarta considers this "a heartening sign of a strengthening army stand."

25X1

State Dept. review(s) completed.

5. The East Java military command has suspended the PKI and its affiliates. PKI activities have now been outlawed in all of Java and the Celebes and several other provinces. As other military commanders join this bandwagon, the presidential ban of the party urged by the army will become of greater psychological than material importance.

25X1

7. The Indonesian national parliament has temporarily suspended all PKI representatives.

8. Peking has taken a harder line in complaining to Djakarta over the continued harassment of Chinese personnel by the Indonesian Armed Forces. The Chinese, however, are still moving cautiously and probably retain hopes that pro-Chinese elements will eventually emerge victorious over the armed forces in the Indonesian power-struggle.

9. On 25 October Peking announced that the Chinese embassy in Djakarta had sent a note to the Indonesian Foreign Ministry protesting the alleged search of Chinese experts who are building a cotton textile mill. Unlike the Chinese protest note of 18 October, the most recent note went beyond general warnings of possible "serious consequences" to assert that the Chinese experts would discontinue work on the cotton mill until given assurances that such incidents would not reoccur. Although it referred to the work stoppage as "temporary" in an apparent effort to preserve Peking's flexibility; the note implied that further Chinese retaliation might follow.

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